

**GREENBERG QUINLAN ROSNER** RESEARCH

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August 12, 2010

# Deficits and Economic Recovery

A research study on investment and deficit reduction

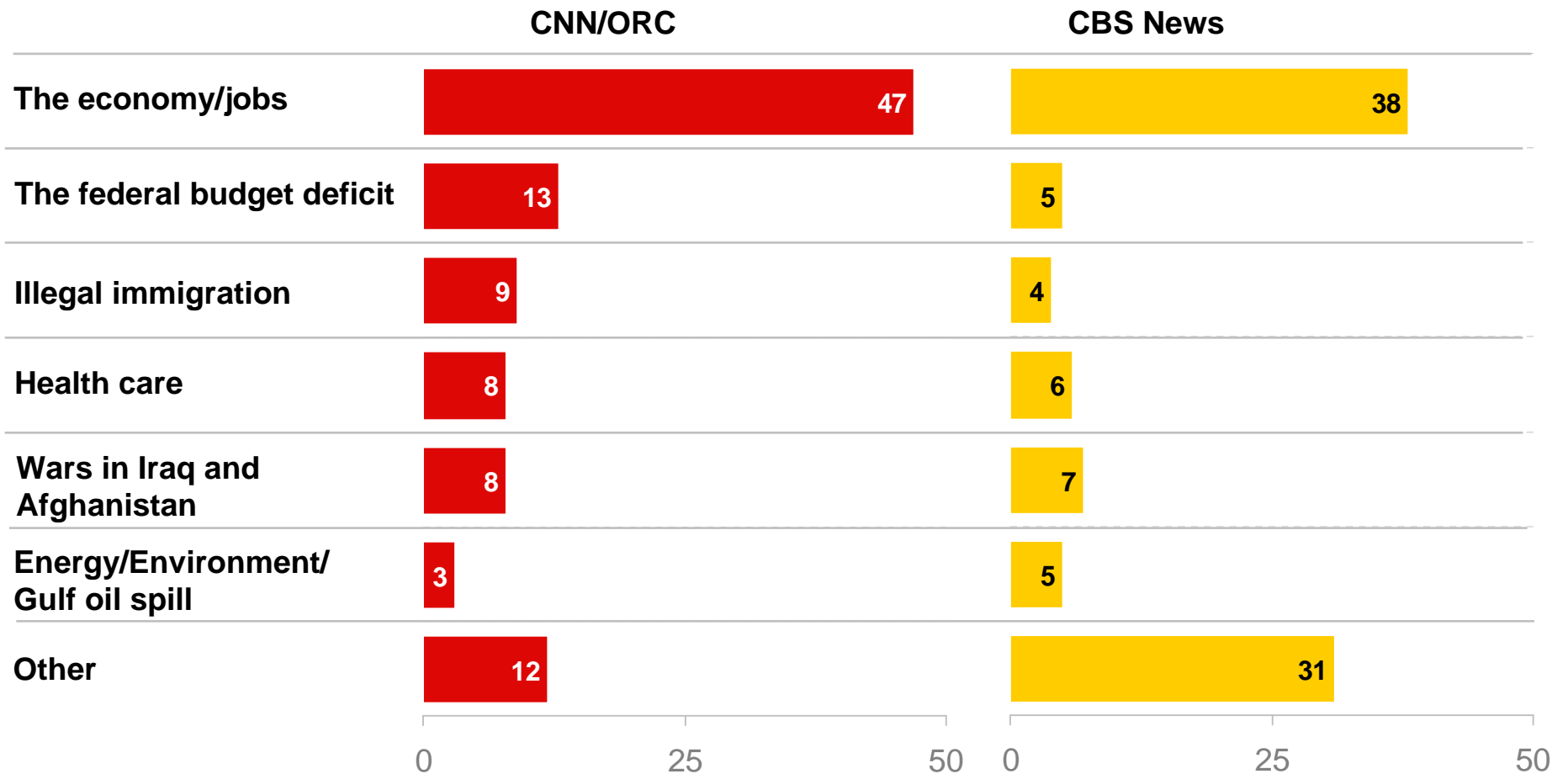


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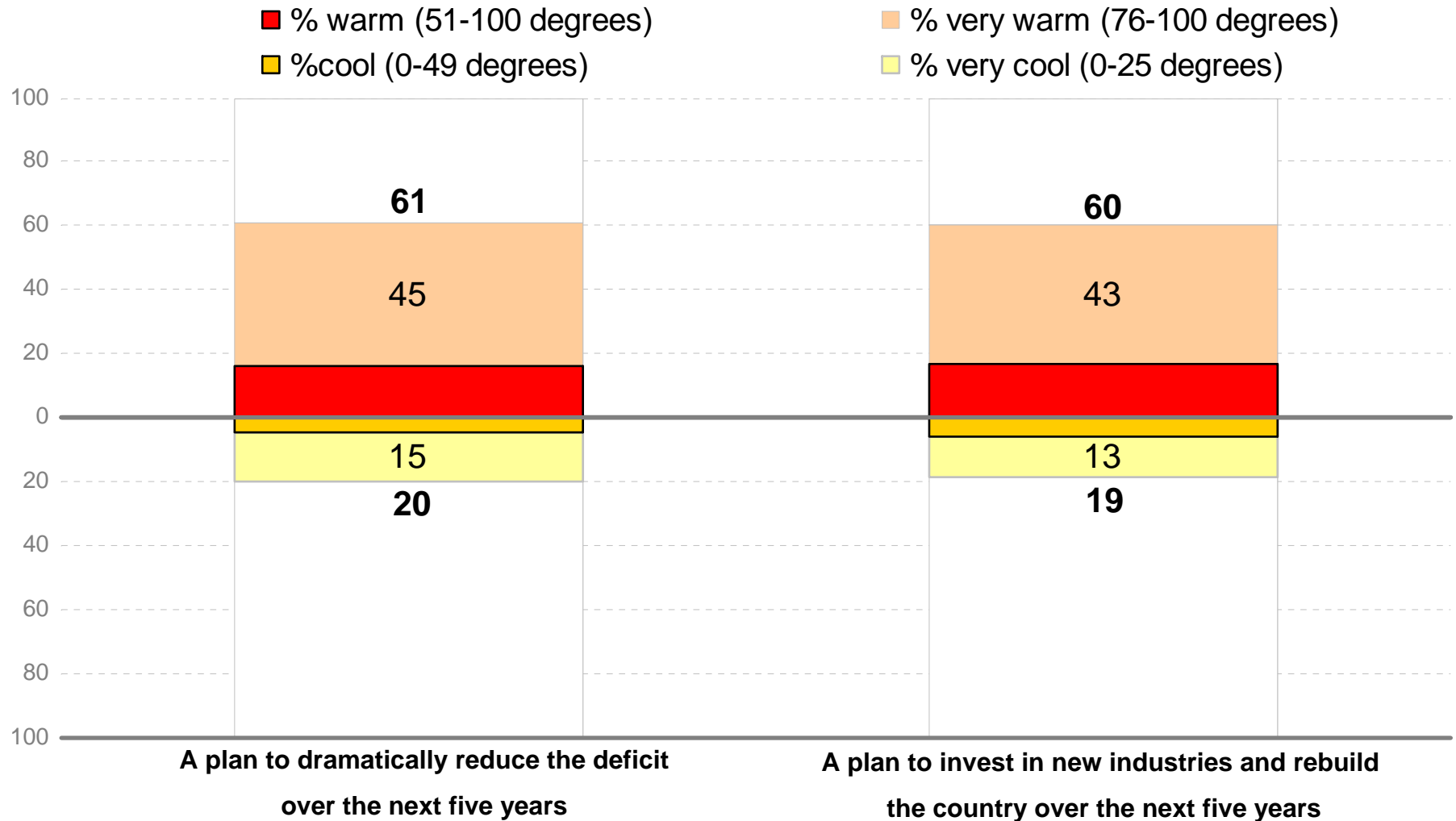
## Economy more than deficits most salient issue of the day

*CNN/ORC, July 21, 2010: Which of the following is the most important issue facing the country today?  
CBS, July 12, 2010: What do you think is the most important problem facing this country today?*



## Support for action: Investment and deficit reduction equal imperatives

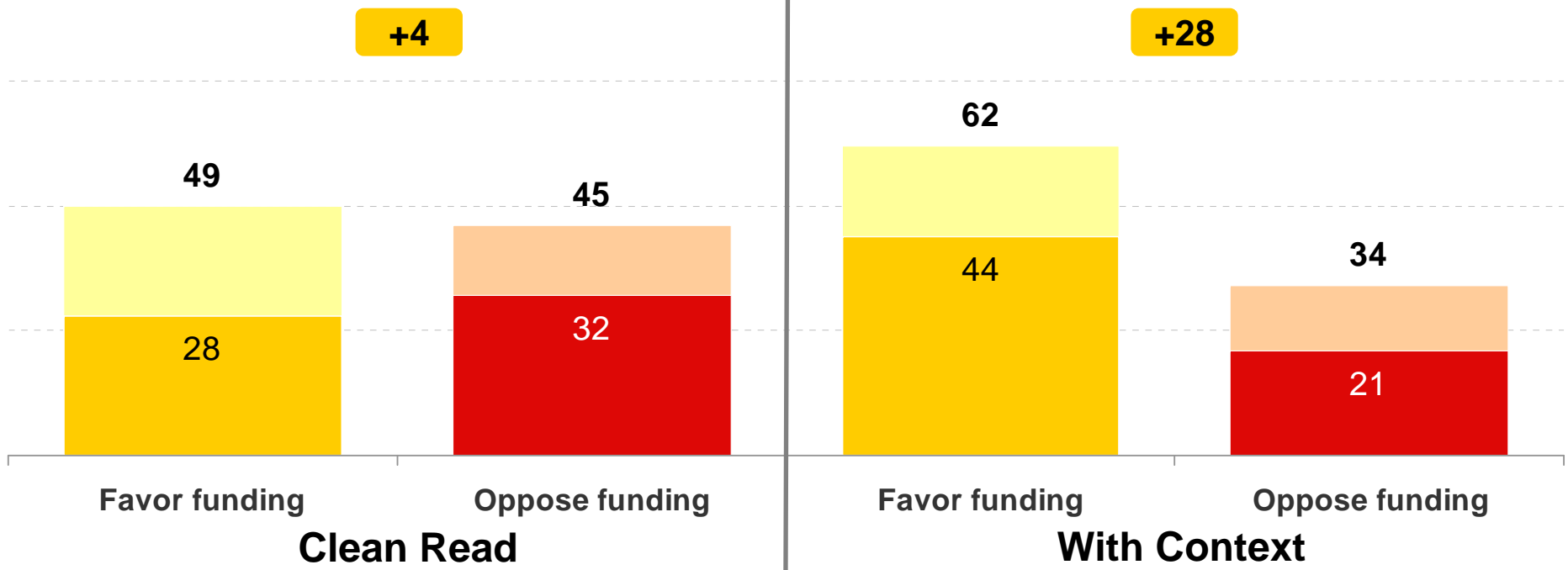
Now, I'd like to rate your feelings toward some people and organizations, with one hundred meaning a VERY WARM, FAVORABLE feeling; zero meaning a VERY COLD, UNFAVORABLE feeling; and fifty meaning not particularly warm or cold.



## Short term: help now with layoffs and service cuts

Over the past year, 45 states have had to layoff teachers, police, fire fighters and other employees due to the recession. Next year, states will face continued revenue shortfalls as a result of the weak economy, with some 300,000 teachers and other education workers potentially facing layoffs. Would you favor or oppose the federal government providing more funding to the states to prevent further service cuts and layoffs?

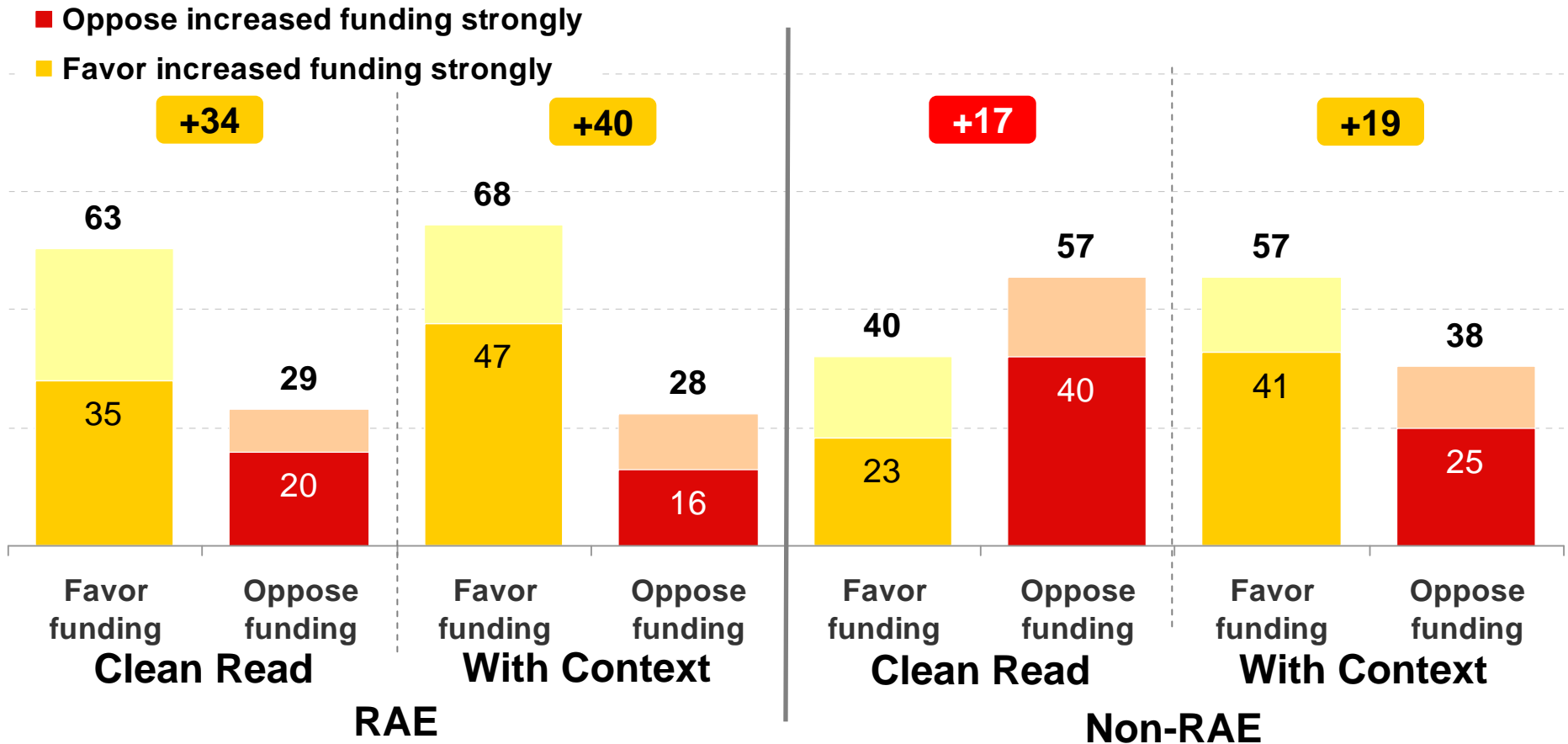
- Oppose increased funding strongly
- Favor increased funding strongly



\*Note: The full question with context was asked of one-half the sample, while the section that is not underlined/in bold was asked of the other half of the sample for comparison.

## Non-RAE heavily swayed by context; RAE already supportive

Over the past year, 45 states have had to layoff teachers, police, fire fighters and other employees due to the recession. Next year, states will face continued revenue shortfalls as a result of the weak economy, with some 300,000 teachers and other education workers potentially facing layoffs. Would you favor or oppose the federal government providing more funding to the states to prevent further service cuts and layoffs?



\*Note: The full question with context was asked of one-half the sample, while the section that is not underlined/in bold was asked of the other half of the sample for comparison. RAE corresponds to the Rising American Electorate delineated previously.

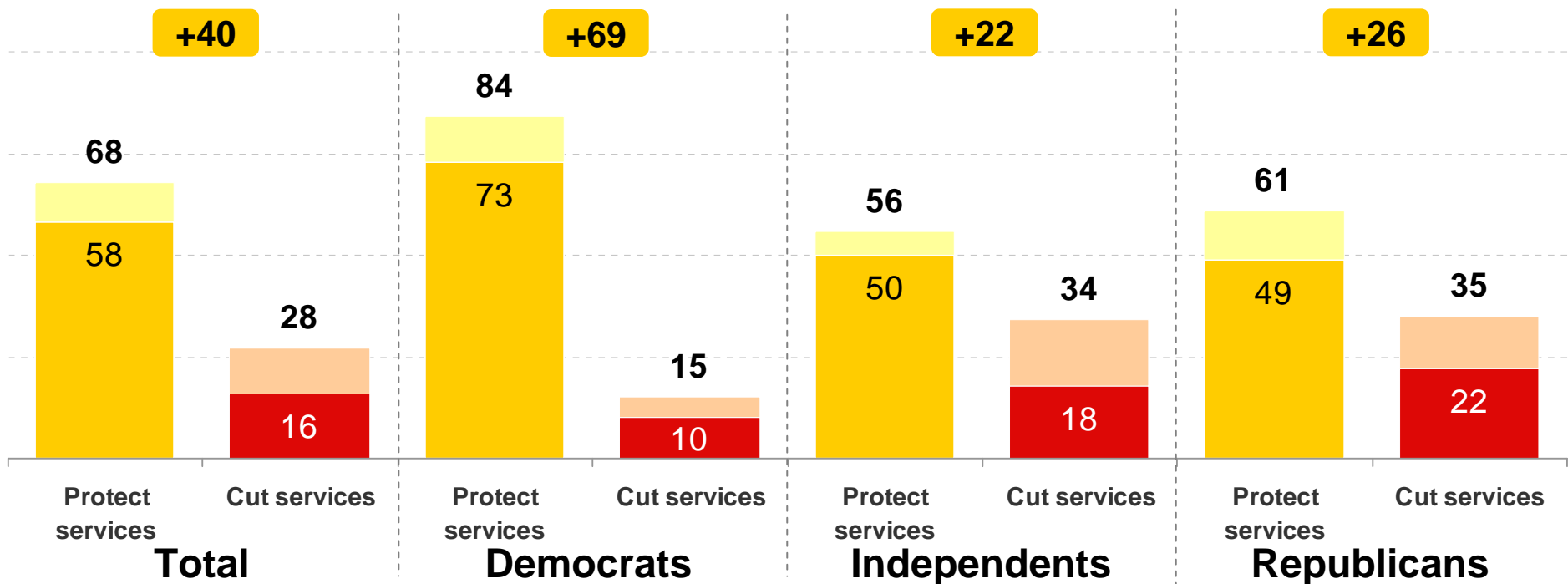
## Long term: protect Medicare and Social Security

Now I'm going to read you some pairs of statements. After I read each pair, please tell me whether the FIRST statement or the SECOND statement comes closer to your own view, even if neither is exactly right.

**First Statement:** The federal deficit is a big national problem but we should not make major spending cuts in Social Security or Medicare.

**Second Statement:** The federal deficit is such a national problem that we have to cut spending broadly, including possible future cuts to Social Security and Medicare.

■ First statement strongly ■ Second statement strongly



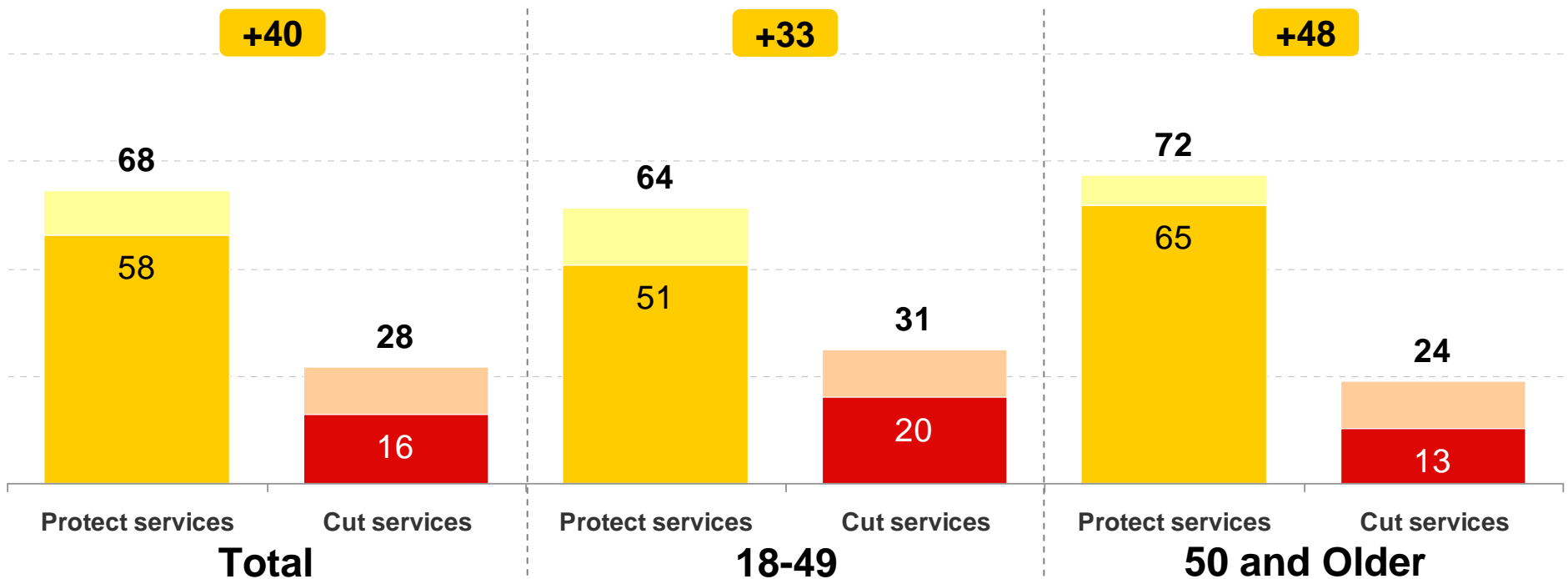
## Young nearly as concerned as elderly about entitlement cuts

Now I'm going to read you some pairs of statements. After I read each pair, please tell me whether the FIRST statement or the SECOND statement comes closer to your own view, even if neither is exactly right.

**First Statement:** The federal deficit is a big national problem but we should not make major spending cuts in Social Security or Medicare.

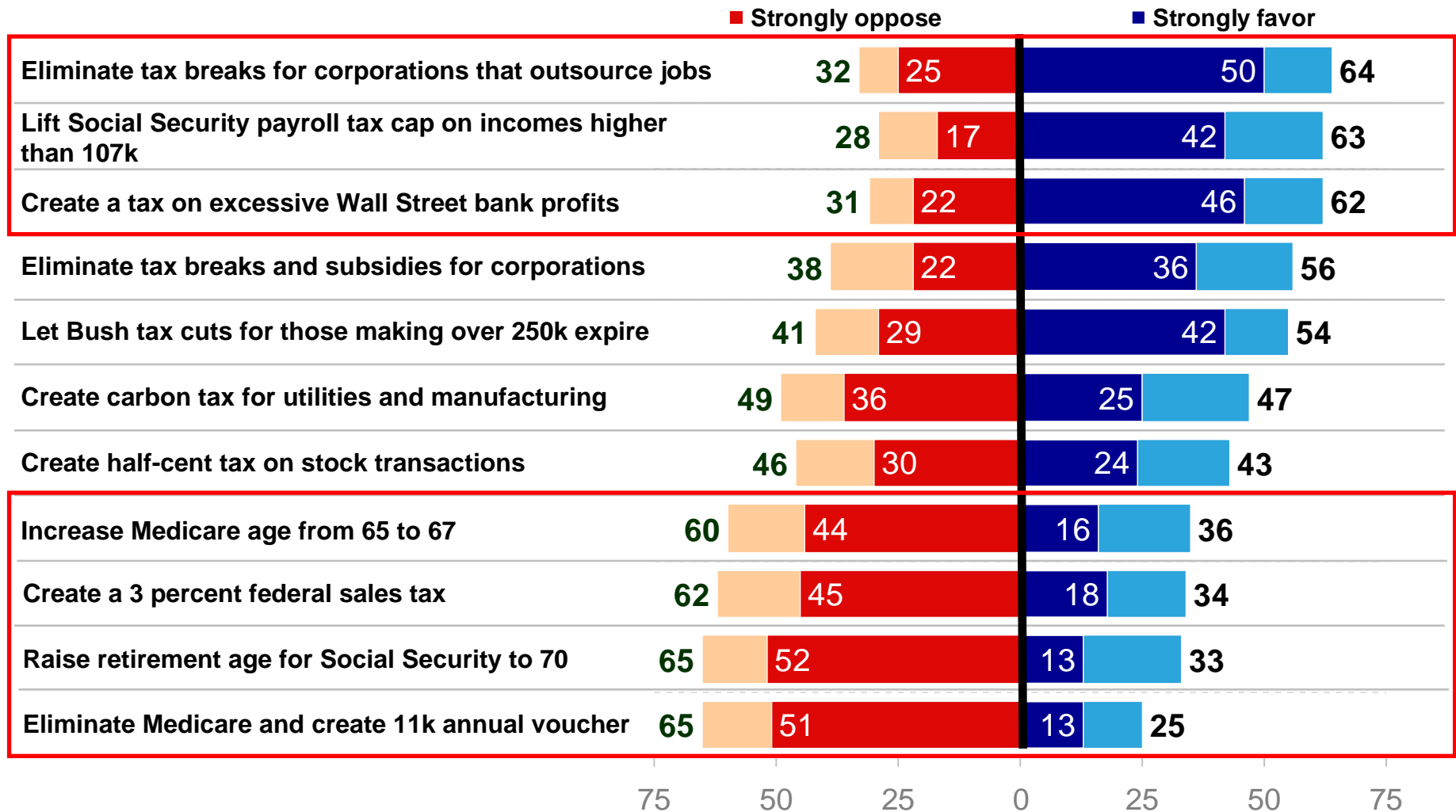
**Second Statement:** The federal deficit is such a national problem that we have to cut spending broadly, including possible future cuts to Social Security and Medicare.

■ First statement strongly ■ Second statement strongly



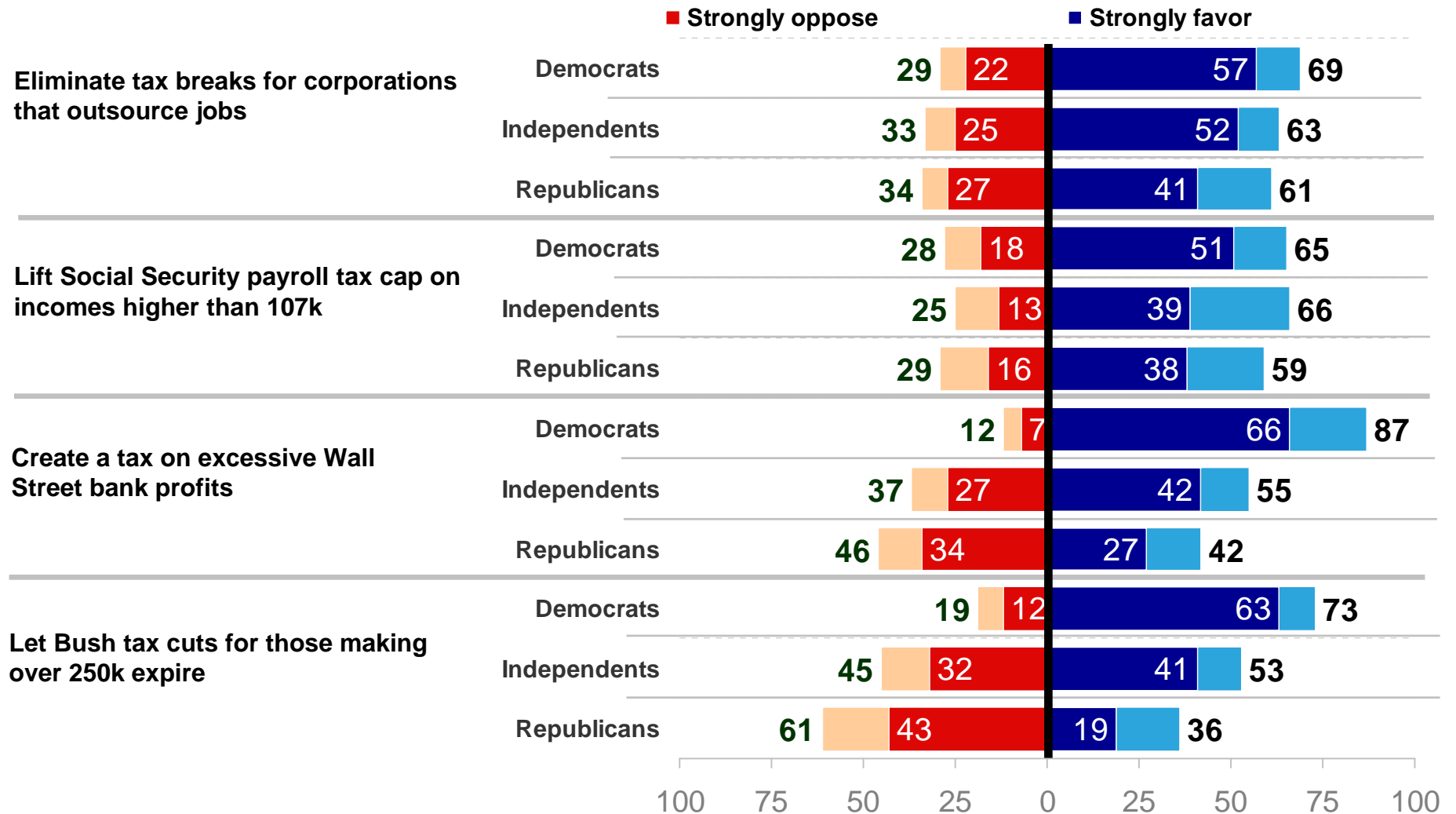
## Deficits: Oppose cutting Social Security, support progressive taxes

Now I'd like to read you a list of proposals to help close the federal budget deficit. After I read each item, please tell me whether you FAVOR or OPPOSE that proposal.



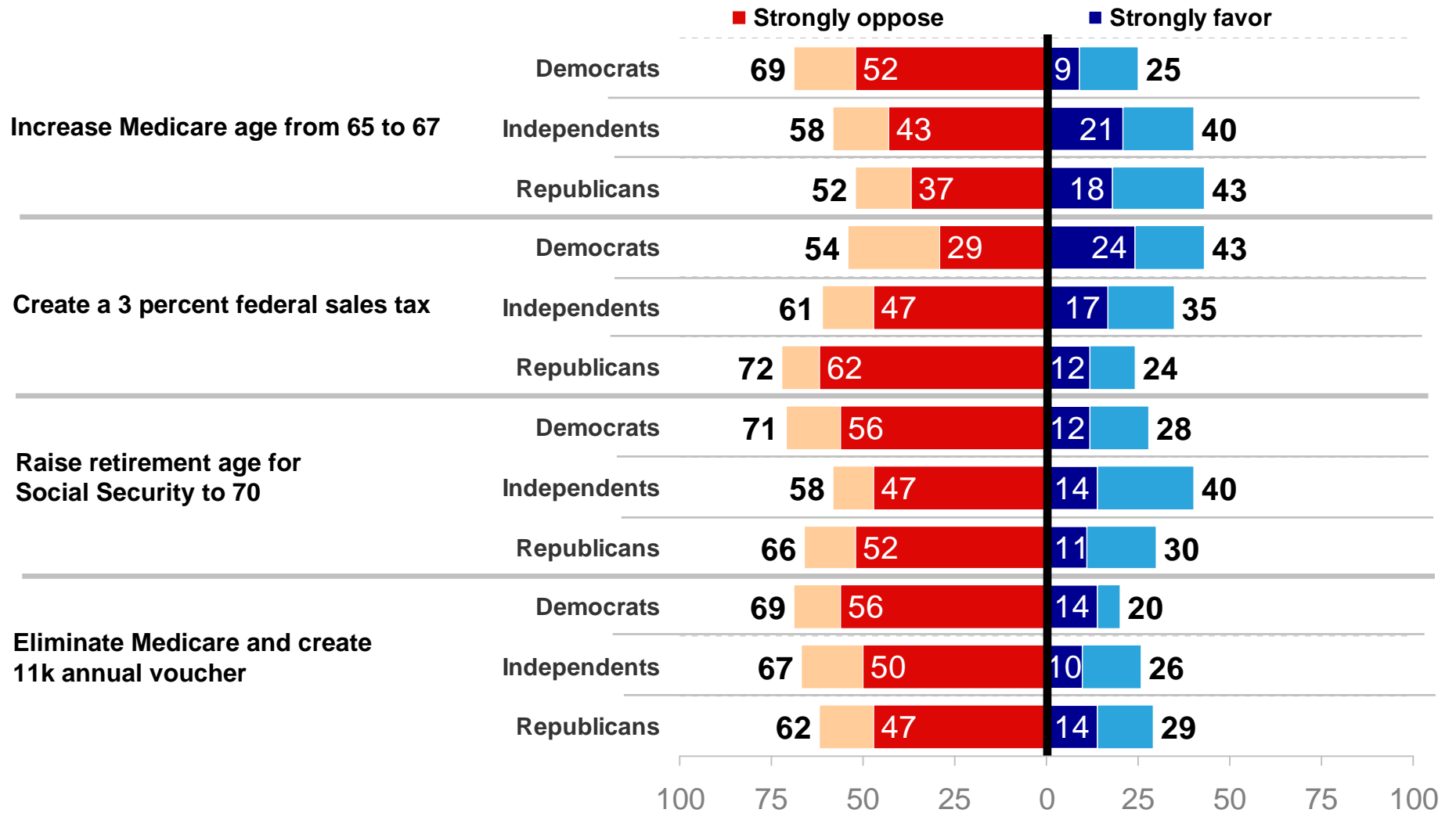
## Democrats and independents unified on progressive approaches

Now I'd like to read you a list of proposals to help close the federal budget deficit. After I read each item, please tell me whether you FAVOR or OPPOSE that proposal.



## Majorities reject entitlement cuts

Now I'd like to read you a list of proposals to help close the federal budget deficit. After I read each item, please tell me whether you FAVOR or OPPOSE that proposal.



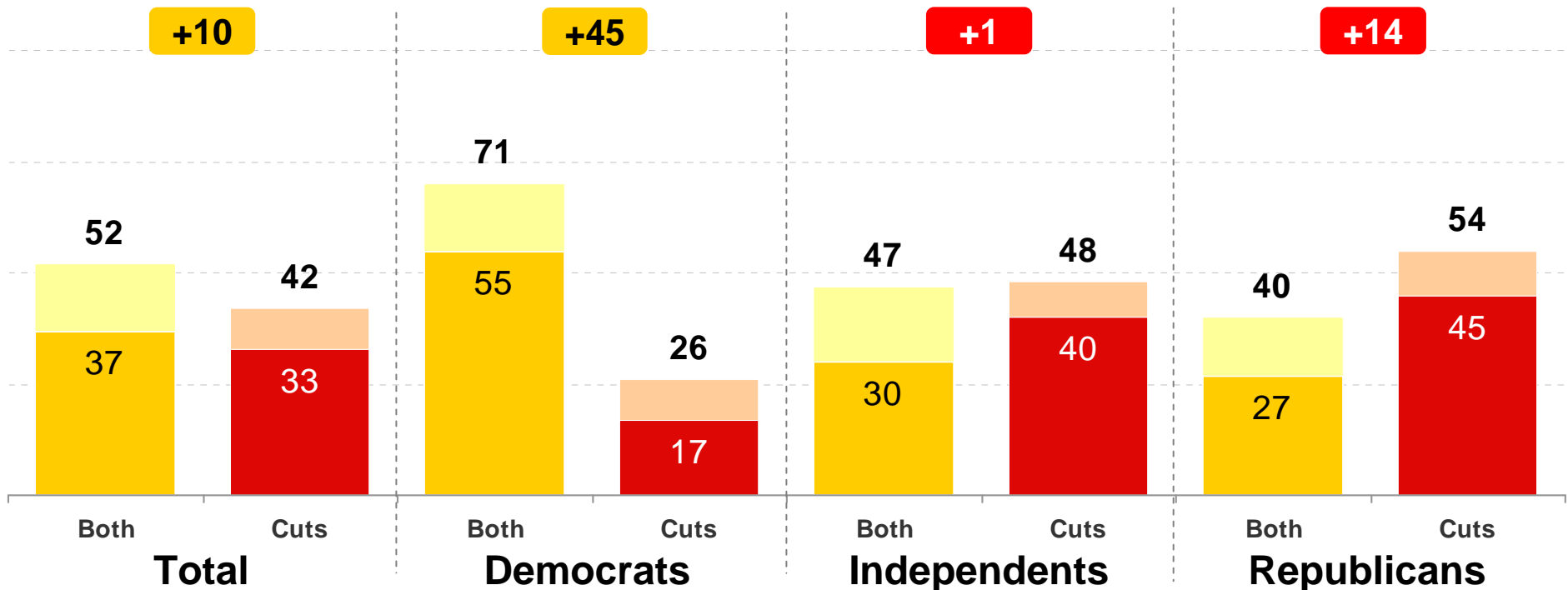
## Deficit-investment combined over just spending cuts

Now I'm going to read you some pairs of statements. After I read each pair, please tell me whether the FIRST statement or the SECOND statement comes closer to your own view, even if neither is exactly right.

**First Statement:** Investing to foster new skills and industries is so important to our future we must BOTH make key investments and reduce the deficit over time.

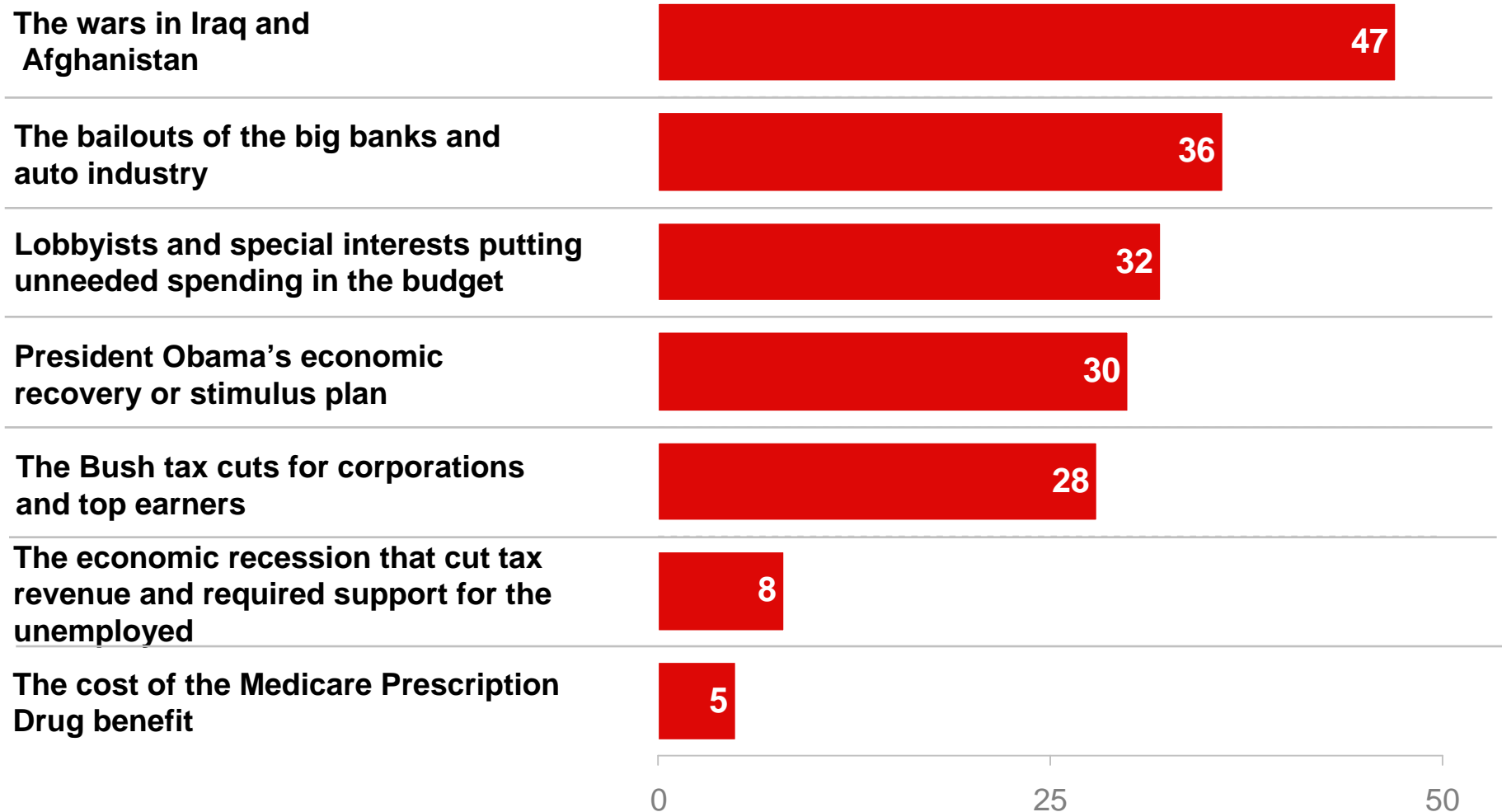
**Second Statement:** Reducing the deficit is so important to our future that we must proceed now to make bold cuts in spending.

■ First statement strongly ■ Second statement strongly



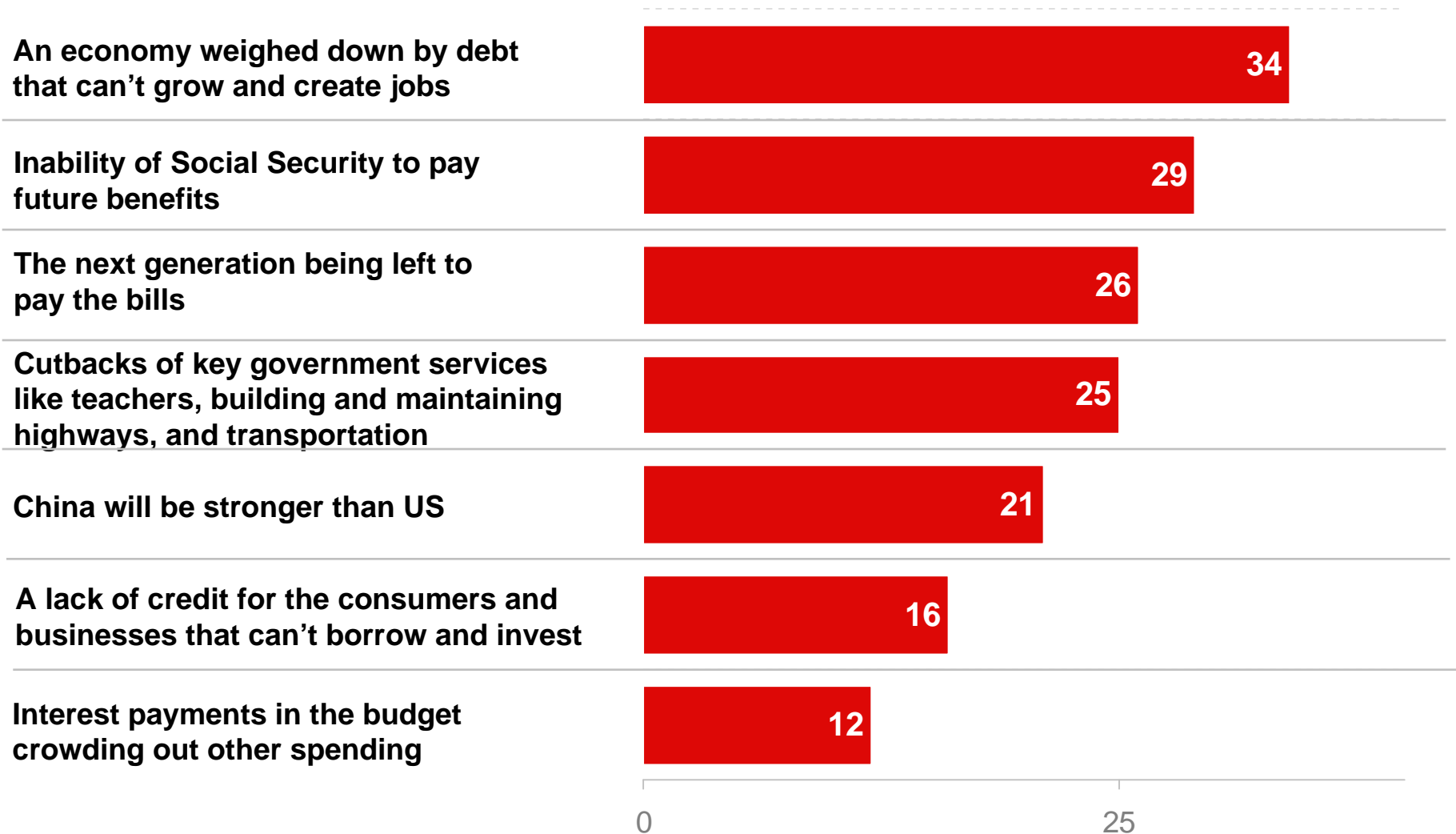
## What caused debt: wars and bailouts

Now I'd like to read you a list of things that some people say have caused the national deficit to grow over the past several years. After I read this list, please tell me which TWO, in your opinion, are most responsible for the federal deficit growing significantly over the past several years.



## Why debt a problem? Economy and Social Security

*When you think about a large federal deficit, which TWO of the following consequences do you worry about the most?*



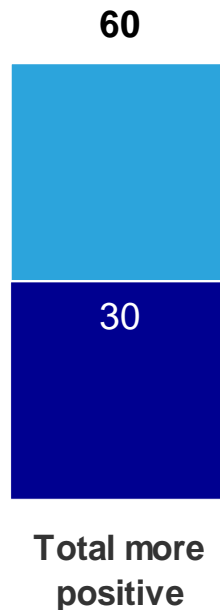
## Strongest investment messages: modernizing infrastructure

*Now I'm going to read you some things a leader is saying about government investment, the economy and deficits. Please tell me if each of this leader's statements makes you much more positive, somewhat more positive, a little more positive, no more positive, or more negative about this leader?*

### Investment deficit

We have a budget deficit, but the fact is we also have a massive public investment deficit – in roads, sewers, schools, trains, renewable energy, and other basic parts of our communities. To be competitive, we need to rebuild the infrastructure that is vital to our economy. This will create jobs, help business compete, improve our communities and generate revenues to help pay down the budget deficit.

■ Much more positive



### New foundation

A recovery to the old economy isn't possible or desirable. That economy was based on personal debt, the housing bubble, trade deficits, stagnant wages, and a growing gap between CEOs and the rich, and everyone else. We have to build an economy on a new foundation, by investing in education and training in 21<sup>st</sup> century infrastructure, capturing a lead role in the new green industrial revolution, and balancing our trade so we make products and create jobs in America.

■ Much more positive

